§ 410-l. Foreclosures and judgments. 1. In any foreclosure action the commissioner shall be made a party defendant. He shall take all steps necessary to protect the interests of the public therein and no costs shall be awarded against him. Foreclosures shall not be decreed unless the court to which application is made shall be satisfied that the interests of the lienholder or holders cannot be adequately assured except by the sale of the property. In any such proceeding, the court shall be authorized to appoint the commissioner as receiver of the property, or to grant such other and further relief as may be reasonable and proper.

2. Notwithstanding the foregoing provisions of this section, wherever it shall appear that the agency shall have loaned on a mortgage which is a first lien upon any such property, such agency shall have all the remedies available to a mortgagee under the laws of the state of New York, free from any restrictions contained in this section, except that the commissioner shall be made a party defendant and that the commissioner shall take all steps necessary to protect the interests of the public and no costs shall be awarded against him.

3. In the event of a judgment against an eligible borrower in any action not pertaining to the collection of a mortgage indebtedness, there shall be no sale of any of the real property of such eligible borrower except upon sixty days' written notice to the commissioner and the agency. Upon receipt of such notice the commissioner and the agency shall take such steps as in their judgment may be necessary to protect the rights of all parties.